

VZCZCXRO8455
PP RUEHGR
DE RUEHPO #0291 1372004
ZNR UUUUU ZZH
P 172004Z MAY 06
FM AMEMBASSY PARAMARIBO
TO RUEHC/SECSTATE WASHDC PRIORITY 8331
INFO RUCNCOM/EC CARICOM COLLECTIVE
RUEHAO/AMCONSUL CURACAO 1032
RUEHOT/AMEMBASSY OTTAWA 0076
RUEHMT/AMCONSUL MONTREAL 0008
RUEHC/DEPT OF LABOR WASHDC

UNCLAS PARAMARIBO 000291

SIPDIS

SIPDIS

STATE FOR WHA/CAR LLUFTIG, WHA/EPSC, OES/ENV, EB/IFD/OIA,
EB/ESC/IEC, AND CA/OCS

E.O. 12958: N/A

TAGS: [EMIN](#) [ETRD](#) [ELAB](#) [ECON](#) [EINV](#) [SENV](#) [NS](#) [CA](#)

SUBJECT: STRIKE AT CANADIAN GOLD MINE IN SURINAME

¶1. On Sunday, May 14, some 300-500 employees of the Rosebel Gold Mines N.V. ("Rosebel"), a subsidiary of Cambior (Montreal-headquartered international gold-mining company), engaged in a work stoppage called by non-accredited union

representatives. This forced Rosebel to suspend all activities at its gold mining operations in Suriname. The group leading the strike demanded increases in salary, to be denominated in U.S. dollars, improved health care, and better working conditions. Workers, who took control of the front gate and several buildings, prevented mine management, including at one point as many as three American citizens, from freely circulating or departing the premises of the mine. A first group of 50-80 people fled the mine the evening of May 15 via a back road, leaving some 20 expatriate workers including one American citizen on the premises. Many of these were essential personnel overseeing gold and explosives; they were eventually confined to one administration building by the striking workers.

¶2. After pleas from Cambior and the Canadian Ambassador, the Government of Suriname on the evening of May 16 told labor leaders to return their grievances to the bargaining table or face military action against what had effectively become a hostage situation. As of May 17, equipment and effective control of the mining site has been returned to Rosebel, but miners have not yet returned to work.

¶3. Labor-management negotiations on the workers' demands have been complicated by a lack of clarity on their current union representation. The current officially certified union responsible for representing the gold miners at Rosebel is "C-47." Rosebel management claims the workers have not voted to change their representation to the competing Moederbond union which apparently was behind this work action. In fact, one of the strike demands was that the Moederbond be recognized, a step management rejected given their uncertainty about employee preferences. Rosebel has requested assistance from the Government of Suriname to clarify workers' representation at the Rosebel mine.

¶4. The two-year-old Rosebel mine employs about 950 workers in total. The open-pit gold mine, 100 kilometers south of the capital of Paramaribo, is owned 95 per cent by Cambior and five per cent by the Suriname government. The company expects this year's production to amount to 335,000 ounces of gold. The rise in international gold prices has spurred growing cries for a renegotiation of Cambior's concession terms among Surinamese pundits and politicians of all stripes.

¶5. The union responsible for instigating this action - De Moederbond - is Suriname's oldest labor union organization, and is politically linked to former president Jules Wijdenbosch's party DNP-2000, which now sits in the opposition. The president of De Moederbond is Errol

Snijders, who previously served as Minister of Labor and Minister of Foreign Affairs in Wijdenbosch's cabinet. He is known to have been a strong supporter of opposition party leader Desi Bouterse's NDP party before the rift between Wijdenbosch and Bouterse leading to the formation of the DNP party in 2000. C-47 is led by Robby Berenstein, who is a former member of parliament, and is politically linked to Suriname Labor Party (SPA) one of the parties of the current ruling coalition.

¶6. The remaining American citizen employee arrived in Paramaribo in the afternoon of May 17. It is yet to be determined whether the company plans to take actions against the striking workers, or when the two sides might reach the bargaining table over the workers' demands.

¶7. Comment: The union's actions put the governing coalition in a difficult spot, caught between workers' demands against a multi-national corporation perceived as reaping huge gains from increased world gold prices, and the legitimate concerns for Suriname's investment climate image should such aggressive actions as hostage-taking be allowed to supplant the normal negotiating process. The story isn't over yet, but a volatile situation has for the moment been defused.

LEONARD